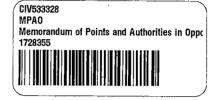


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**DURIE TANGRI LLP** SONAL N. MEHTA (SBN 222086) smehta@durietangri.com JOSHUA H. LERNER (SBN 220755) ilerner@durietangri.com LAURĂ E. MILLER (SBN 271713) lmiller@durietangri.com CATHERINE Y. KIM (SBN 308442) ckim@durietangri.com ZACHARY G. F. ABRAHAMSON (SBN 310951) zabrahamson@durietangri.com 217 Leidesdorff Street San Francisco, CA 94111 Telephone: 415-362-6666 Facsimile: 415-236-6300 Attorneys for Defendants

FILED SAN MATEO COUNTY MAR 2 6 2019



### SUPERIOR COURT OF THE STATE OF CALIFORNIA

#### **COUNTY OF SAN MATEO**

SIX4THREE, LLC, a Delaware limited liability company,

Plaintiff,

Facebook, Inc., Mark Zuckerberg, Christopher Cox, Javier Olivan, Samuel Lessin, Michael Vernal, and Ilya Sukhar

٧.

FACEBOOK, INC., a Delaware corporation; MARK ZUCKERBERG, an individual; CHRISTOPHER COX, an individual; JAVIER OLIVAN, an individual; SAMUEL LESSIN, an individual; MICHAEL VERNAL, an individual; ILYA SUKHAR, an individual; and DOES 1-50, inclusive,

Defendants.

Case No. CIV 533328

Assigned for all purposes to Hon. V. Raymond Swope, Dept. 23

DEFENDANT FACEBOOK, INC.'S OPPOSITION TO BIRNBAUM & GODKIN, LLP AND GROSS & KLEIN, LLP'S EX PARTE APPLICATION REQUESTING LEAVE TO SUPPLEMENT THE MOTION TO BE RELIEVED AS COUNSEL

Dept: 23 (Complex Civil Litigation)
Judge: Honorable V. Raymond Swope

FILING DATE: TRIAL DATE:

April 10, 2015 April 25, 2019

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### I. INTRODUCTION

Six4Three's lawyers first raised their request to withdraw on November 30, 2018—just days after this Court and Facebook learned of multiple violations of this Court's orders by Six4Three's principal and legal team. In the nearly four months since that original request, Six4Three's counsel have struggled to identify any basis for withdrawal. Indeed, even after multiple requests from the Court and Facebook to provide a factual basis for the supposed "unwaiveable conflict" they claim requires withdrawal, Six4Three's counsel have pointed only vaguely to Facebook's allegations of wrongdoing by the lawyers and clients working together to plan a crime or a fraud (which do not alone establish any conflict between lawyer and client), and have otherwise asserted privilege.

Now, over 110 days later—after the briefing has long since been completed, the Court has heard oral argument, the Court questioned Six4Three's counsel, Mr. Kramer, and Mr. Scaramellino in camera, and the matter has been submitted for resolution by the Court—Six4Three's lawyers claim that they have some new information to support their request for withdrawal. The ex parte application is surprisingly scant on details. Most importantly, Six4Three's lawyers fail to explain why the Court's crime-fraud ruling does not render this "new information" unprivileged. To the contrary, Six4Three's lawyers admit that the "new information" is "directly relevant to the motion to withdraw." But by the lawyers' own arguments, that withdrawal motion sprang from the very events encompassed by the crime-fraud order. So, any communication relevant to that withdrawal motion must reasonably relate to the crime or fraud that Six4Three perpetrated in connection with disclosing Facebook's confidential and highly confidential information. It is thus unsurprising that, aside from a single, unsupported sentence suggesting that the supposed new information that is the subject of this ex parte application "does not implicate the alleged crime or fraud exception found by the Court," the ex parte application is completely silent on what the supposed new information does implicate, let alone how it could be relevant to the supposed unwaivable conflict that arose when Facebook asserted the crime-fraud exception but not relevant to the Court's ruling finding that the crime-fraud exception does apply.

Moreover, even if the Court were to accept Six4Three's unsupported and illogical contention that the crime-fraud exception is "not implicated" by the supposed new communication, that finding would not entitle Six4Three's lawyers to disclose the communication *in camera*. The lawyers invoke a

privilege exception that lets lawyers defend themselves by revealing attorney-client communications. See generally Cal. Evid. Code § 958. But that exception does not authorize an in camera hearing, and Six4Three's counsel have not cited a single case in which it was found to support one. And more to the point, section 958 does not allow Six4Three's counsel to have it both ways—they cannot rely on an exception to the attorney-client privilege to disclose facts in an effort to try to get out of the case, while arguing for an in camera proceeding that would deprive Facebook of the opportunity to respond to those facts and their import on the instant proceedings. Either (1) the "new information" falls within section 958's exception to attorney-client privilege and so there is no basis for *in camera* review, or (2) the "new information" does not fall under the exception and Six4Three's lawyers cannot rely on it to support their withdrawal, absent a waiver of privilege by Six4Three (which Six4Three's counsel do not assert<sup>1</sup>). There is no (3).

The bottom line is that the ex parte request to disclose the "new information" in camera should be denied. Because Six4Three's counsel cannot rely on privileged information to support their request, the supposed new information is either subject to the Court's crime-fraud ruling or it is subject to a section 958 exception. In both instances, the information should be presented to the Court and to Facebook for consideration—not presented in camera. And at this stage in the proceeding, that supposed new information supporting withdrawal must be introduced via a duly noticed motion, to the extent (and only to the extent) authorized by Code of Civil Procedure section 1008. Short of that, the lawyers' attempt to supplement the record is barred procedurally and by privilege rules that prevent the disclosure of attorney-client communications.

#### II. LEGAL ARGUMENT

Six4Three's Lawyers May Address the Court, but Only in Connection with the A.

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<sup>&</sup>lt;sup>1</sup> As Facebook has explained in prior motions, Six4Three has waived privilege as to communications surrounding the improper disclosure of Facebook's confidential and highly confidential information. The Court did not need to reach that issue because it found that the crime-fraud exception applied to those communications. However, insofar as the new attorney-client communication underlying the exparte request relates to the improper disclosure of Facebook's confidential and highly confidential information (which logic dictates that it must), the waiver would likely also extend to this communication. However, the Court need not resolve that question now because, as described herein, Six4Three's counsel are not relying on a waiver of privilege by Six4Three and the outcome of this ex parte application does not turn on that issue.

### Lawyers' Motions to Withdraw.

Facebook does not object to the Murphy Pearson law firm filing this narrow *ex parte* application on behalf of Birnbaum & Godkin's motion to withdraw, or the Wilson Elser firm joining the application on behalf of Gross & Klein. But the firms' representation of Birnbaum & Godkin and Gross & Klein cannot spill over to Six4Three itself: neither Murphy Pearson nor Wilson Elser represents Six4Three. If they wish to do so, they should enter an appearance as counsel for Six4Three and the case can then proceed accordingly.

# B. Six4Three's Lawyers' Request to Supplement Their Points and Authorities Is Procedurally Improper While Their Motion Is Under Submission.

California law is clear that Six4Three's lawyers may not unilaterally bombard the Court with "new information" while their withdrawal motion is pending. California Rules of Court, Rule 2.900(b) governs the submission of matters in trial courts and provides that, "[t]he court may vacate submission only by issuing an order served on the parties stating reasons constituting good cause and providing for resubmission." (emphasis added). See also Cal. R. Ct., rule 2.2 ("The Trial Court Rules apply to all cases in the superior courts unless otherwise specified[.]"). Here, no such order has issued. Accordingly, Six4Three's lawyers' ex parte request to supplement their withdrawal authorities is procedurally improper.

Moreover, even *if* the lawyers' request was procedurally proper—it is not—Facebook would object to any procedure that bars Facebook from reviewing and responding to Six4Three's lawyers' "new information." At the outset, such review is necessary to determine whether—as Six4Three's lawyers assert without explanation or support—the supposed "critical new information" "*only came into existence on March 20*, *2019*[.]" *Ex Parte* Appl. at 5:2–4 (emphasis added). Equally important, as Facebook has made clear in repeated filings since Six4Three's lawyers first moved to withdraw, Facebook would suffer concrete, immediate injury if Six4Three's lawyers withdraw before Six4Three lines up substitute counsel. Withdrawal would leave Six4Three unrepresented and unable to participate in the discovery that Facebook must obtain to learn, as the first step, who has Facebook's confidential and highly confidential information and what they have done with that information. Accordingly, due process demands that Facebook have an opportunity to test and be heard on any new arguments or

supposed new evidence offered in support of Six4Three's lawyers' withdrawal.

Notwithstanding these authorities, if the Court is inclined to grant Six4Three's lawyers' application, the Court should nevertheless hold them to the procedural requirements of California Rules of Court, Rule 3.1362. See also Michael Paul Thomas, Cal. Civil Courtroom Handbook & Desktop Reference § 14:17, Procedure (2018 ed.) (noting that "courts strictly apply" technical requirements of California Rules of Court, Rule 3.1362 in deciding motions to be relieved as counsel). Rule 3.1362 governs motions to be relieved as counsel, and mandates that such motions include a "declaration on the Declaration in Support of Attorney's Motion to Be Relieved as Counsel—Civil (California Judicial Council Form MC-052)," which "state[s] in general terms and without compromising the confidentiality of the attorney-client relationship why a motion under Code of Civil Procedure section 284(2) is brought[.]" Cal. R. Ct., rule 3.1362(b). This Court has already enforced the letter of this requirement, see Order Continuing Sua Sponte the Hearing on Motions to Withdraw at 2 (Jan. 24, 2019), and should maintain that vigilance now by requiring Six4Three's lawyers to file a rule-compliant declaration setting forth the "new information" that they wish to submit.

C. Six4Three's Lawyers Cannot Present the "New Information" *In Camera* Because Any Information "Directly Relevant to the Motion to Withdraw" Falls Within the Court's Crime-Fraud Ruling.

The Court's fourth question about Six4Three's lawyers' ex parte application is the critical one: does the supposed "new information" in "an attorney-client communication" have a reasonable relation to Six4Three's scheme to disclose Facebook's confidential and highly confidential information in violation of this Court's orders? See Ex Parte Appl. at 5:24–25; see also BP Alaska Expl., Inc. v. Superior Court, 199 Cal. App. 3d 1240, 1269 (1988).

Simple logic dictates that the answer to that question must be "yes." The *only* reason offered for Six4Three's lawyers' withdrawal was the purported "unwaivable conflict of interest between [Six4Three's lawyers] and SIX4THREE" brought about by Facebook's "allegations against both Plaintiff and Plaintiff's counsel and their attempts to direct discovery requests at [Six4Three's lawyers]." Birnbaum &Godkin Mem. in Supp. of Mot. to be Relieved as Counsel at 2 (Jan. 8, 2019). *See also*, *e.g.*, Godkin Decl. in Supp. of Mot. to be Relieved as Counsel at 1 (Jan. 8, 2019) ("Defendant's allegations directed at both Plaintiff and Plaintiff's counsel . . . make a prima facie showing of an unwaivable

conflict between attorney and client."); Gross & Klein Mem. in Supp. of Mot. to be Relieved as Counsel at 3 (Jan. 8, 2019) ("[T]he very nature of Defendant's allegations against Plaintiff and Plaintiff's counsel . . . constitute a prima facie case of an unwaivable conflict between attorney and client."). And, according to Six4Three's counsel, the "new information" that they seek to introduce is "directly relevant to the motion to withdraw." As a result, the supposed new information *must* by definition pertain to the alleged "conflict" and therefore to the subject matter of the Court's crime-fraud ruling. *See Ex Parte* Appl. at 4:8–10.

Moreover, it defies common sense that the supposed new information could be about anything else. Between March 13 (the hearing on Six4Three's lawyers' motions to withdraw) and March 20 (the date that the "critical new information" allegedly came into existence, see Ex Parte Appl. at 5:3) the parties and the Court have focused solely on the consequences of Six4Three's illegal disclosure of Facebook's confidential and highly confidential information—the very acts that gave rise to the March 15 crime-fraud ruling. Indeed, while Six4Three's lawyers' baldly assert that "[t]he communication involves representation that does not implicate the alleged crime or fraud exception found by the Court," see Ex Parte Appl. at 6:7–8, they do not offer any evidence or explanation, or even argument, as to what else the supposed new information is about. In these circumstances, the unsupported assertion that the crime-fraud exception does not apply is not only inadequate on its face, but just plain unbelievable.

## D. Six4Three's Lawyers Cannot Disclose Privileged Information *In Camera* Under Section 958.

The crime-fraud analysis above is enough to deny Six4Three's lawyers' ex parte request. But even if the Court finds that this supposedly new attorney-client communication falls outside the scope of its order, such a finding would not allow Six4Three's lawyers to disclose that communication in camera. As explained below, either section 958 of California's Evidence Code does not apply to the alleged communication—in which case the communication is privileged and cannot be disclosed given Six4Three's continued assertion of the privilege—or the section does apply and Six4Three's lawyers can disclose the communication to the extent the privilege is waived. An in camera review is neither necessary nor procedurally appropriate; Facebook is entitled to review the unprivileged communication.

Clients—not lawyers—hold the attorney-client privilege. See Cal. Evid. Code § 953 ("As used in

this article, 'holder of the privilege' means: (a) The client[.]"). Lawyers cannot unilaterally betray that privilege. Instead, section 955 of the California Evidence Code provides that a lawyer "shall claim the privilege whenever he is present when the communication is sought to be disclosed and is authorized to claim the privilege under subdivision (c) of Section 954." Cal. Evid. Code § 954 (emphasis added). Of course, Six4Three may waive that privilege. See Cal. Evid. Code § 912. But absent waiver, Six4Three's lawyers cannot disclose confidential communications to the Court—even in support of a motion to withdraw. See Mark L. Tuft, et al, California Practice Guide: Professional Responsibility § 10.24.5 ("Attorneys are bound to preserve client confidences even when seeking to be relieved as counsel."). And neither Facebook nor the Court has received any communication from Six4Three suggesting that Six4Three waived privilege as to the "attorney-client communication" that forms the basis of this ex parte application.

For this reason, Six4Three's lawyers' ex parte application goes all-in on a statutory privilege exception codified by section 958 of the California Evidence Code. See Ex Parte Appl. at 5:12–25. That section provides that there is no attorney-client privilege as to "a communication relevant to an issue of breach, by the lawyer or by the client, of a duty arising out of the lawyer-client relationship." Cal. Evid. Code § 958. But Six4Three's lawyers give no authority—and Facebook's research has found none—for the proposition that a lawyer may invoke section 958 to disclose privileged client communications in an effort to withdraw from representing the client. See Ex Parte Appl. at 5:12–25; see also, e.g., Anten v. Superior Court, 233 Cal. App. 4th 1254, 1259 (2015), as modified (Feb. 10, 2015) ("The wording of Section 958 is broad, but case law has clarified that the exception is limited to communications between the lawyer charging or charged with a breach of duty[.]"); Glade v. Superior Court, 76 Cal. App. 3d 738, 746 (1978) (section 958 applies only when "either the attorney or client charges the other with a breach of duty arising from their professional relationship.") (emphasis added); Schlumberger Ltd. v. Superior Court, 115 Cal. App. 3d 386, 393 (1981) ("Privileged communications do not become discoverable because they are related to issues raised in the litigation.").

In any case, even if Six4Three's attorneys were correct that section 958 allows them to disclose the privileged communication at the heart of the *ex parte* application, the section does not allow them to

selectively disclose the communication. By its terms, section 958 provides that, "Ithere is no privilege under this article as to a communication relevant to an issue of breach[.]" (emphasis added"). Thus, invocation of the statutory section eliminates any claim of privilege and any basis for Six4Three's lawyers to withhold the communication from Facebook. The contrary assertion in the ex parte application that section 958 "bars other parties to the action, including opposing counsel, from accessing any such information disclosed to the Court in camera" is entirely unsupported. While Brockway v. State Bar of Cal., 53 Cal. 3d 51, 63 (1991), does hold that section 958 "only authorizes disclosure of relevant communications between a client . . . and an attorney charged with professional wrongdoing," there is no discussion whatsoever of preventing opposing counsel from reviewing those communications. In other words, counsel for Six4Three have not cited a single case that would allow them to assert section 958 to eliminate privilege vis-à-vis the Court but not vis-à-vis Facebook. If, in fact, the "critical new information" is that Six4Three has alleged that its counsel breached any duty arising from their professional relationship, and Birnbaum & Godkin and Gross & Klein seek to use those allegations as an independent basis for withdrawal, privilege no longer applies and Facebook is entitled to review the relevant evidence and to be duly heard on its implications on the withdrawal request.

Finally, again, even if Six4Three's lawyers *could* selectively disclose privileged communications under section 958, they cannot do so with respect to *this* communication: The Court's crime-fraud ruling waived privilege as to communications reasonably related to Six4Three's disclosure of Facebook's confidential and highly confidential information. For the reasons above, *see* pp. 4-5, *supra*, that ruling encompasses the attorney-client communication behind this *ex parte* application. There is no basis for Facebook or the Court to believe that the communications of the last week are somehow distinct from the disclosure of Facebook's confidential information. Facebook has been trying to get to the bottom of the disclosure for months; counsel cannot claim with any credibility that they were suddenly—and conveniently—communicating about something unrelated.

### III. CONCLUSION

In view of the above, Birnbaum & Godkin's and Gross & Klein's request to submit "new information" *in camera* must be rejected. Any supposed new information supporting withdrawal must be brought via a duly noticed motion, to the extent (and only to the extent) authorized by Code of Civil

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| 1  | Procedure section 1008. And because "new information" about the supposed "unwaivable conflict" is     |  |  |
| 2  | either subject to the crime-fraud exception or claimed to be subject to the attorney-client privilege |  |  |
| 3  | exception found in section 958, that information  | must be presented to both the Court and to Facebook for                    |  |
| 4  | full briefing and argument. The ex parte applica  | tion should be denied.   |  |
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| 6  | Dated: March 25, 2019   | DURIE TANGRI LLP   |  |
| 7  | By:   | Col Affin  |  |
| 8  | Бу  | SONAL N. MEHTA<br>JOSHUA H. LERNER   |  |
| 9  |   | LAURA E. MILLER<br>CATHERINE Y. KIM  |  |
| 10 |   | ZACHARY G. F. ABRAHAMSON   |  |
| 11 |   | Attorneys for Defendants Facebook, Inc., Mark Zuckerberg, Christopher Cox, |  |
| 12 |   | Javier Olivan, Samuel Lessin, Michael Vernal, and Ilya Sukhar              |  |
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#### PROOF OF SERVICE

I am employed in San Francisco County, State of California, in the office of a member of the bar of this Court, at whose direction the service was made. I am over the age of eighteen years, and not a party to the within action. My business address is 217 Leidesdorff Street, San Francisco, CA 94111.

On March 25, 2019, I served the following documents in the manner described below:

DEFENDANT FACEBOOK, INC.'S OPPOSITION TO BIRNBAUM & GODKIN, LLP AND GROSS & KLEIN, LLP'S EX PARTE APPLICATION REQUESTING LEAVE TO SUPPLEMENT THE MOTION TO BE RELIEVED AS COUNSEL

BY ELECTRONIC SERVICE: By electronically mailing a true and correct copy through Durie Tangri's electronic mail system from zabrahamson@durietangri.com to the email addresses set forth below.

On the following part(ies) in this action:

Stuart G. Gross GROSS & KLEIN LLP The Embarcadero, Pier 9, Suite 100 San Francisco, CA 94111 sgross@grosskleinlaw.com

David S. Godkin
James Kruzer
BIRNBAUM & GODKIN, LLP
280 Summer Street
Boston, MA 02210
godkin@birnbaumgodkin.com
kruzer@birnbaumgodkin.com

Attorneys for Plaintiff Six4Three, LLC

Donald P. Sullivan Wilson Elser 525 Market Street, 17th Floor San Francisco, CA 94105 donald.sullivan@wilsonelser.com Joyce.Vialpando@wilsonelser.com Dea.Palumbo@wilsonelser.com

Attorney for Gross & Klein LLP

Jack Russo Christopher Sargent ComputerLaw Group, LLP 401 Florence Street Palo Alto, CA 94301 jrusso@computerlaw.com csargent@computerlaw.com ecf@computerlaw.com

Attorney for Theodore Kramer and Thomas Scaramellino (individual capacities)

Steven J. Bolotin Morrison Mahoney LLP 250 Summer Street Boston, MA 02210 sbolotin@morrisonmahoney.com Llombard@morrisonmahoney.com

James A. Murphy
James A. Lassart
Thomas P Mazzucco
Joseph Leveroni
Murphy Pearson Bradley & Feeney
88 Kearny St, 10th Floor
San Francisco, CA 94108
JMurphy@MPBF.com
jlassart@mpbf.com
TMazzucco@MPBF.com
JLeveroni@MPBF.com

Attorney for Birnbaum & Godkin, LLP

| 1       | I declare under penalty of perjury under the laws of the United States of America that the |  |  |
|---------|--|--|--|
| 2       | foregoing is true and correct. Executed on March 25, 2019, at San Francisco, California.   |  |  |
| 3       | lorogonig is the and correct. Executed on March 23, 2017, at San Transisco, Camorna.       |  |  |
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